



# Department of Justice

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## **MONTGOMERY MAN INDICTED FOR PREPARING FALSE TAX RETURNS**

Owner of Rocket Refund Charged With Filing Fraudulent Tax Returns

**MONTGOMERY, ALABAMA**— Leura G. Canary, United States Attorney for the Middle District of Alabama, announced today that a federal grand jury returned an indictment against Michael T. Chappell, of Montgomery, for aiding and assisting in the filing of false tax returns.

The indictment alleges that Chappell, while operating a tax preparation business in Montgomery, under the name "Rocket Refund," did aid and assist in the preparation of fifteen false and fraudulent individual income tax returns for the 2005 and 2006 tax years. The indictment further alleges that Chappell falsified amounts of earned income, earned income credit, child tax credit, filing statuses, and dependents on returns which he prepared.

Last week, Chappell appeared before Chief United States Magistrate Judge Susan Russ Walker for his initial appearance and arraignment. Chappell pleaded not guilty to the charges in the indictment and was released on bond pending trial. Chappell's case is set for trial on December 1, 2008, before United States District Judge W. Keith Watkins. If convicted of the offenses charged in the indictment, Chappell would face a maximum sentence of three years in prison for each count charged in the indictment, a \$250,000 fine for each count charged in the indictment, and up to one year of supervised release following his release from prison for each count charged in the indictment. Chappell also could be ordered to pay restitution to the Internal Revenue Service ("IRS").

United States Attorney Leura Canary said, "Tax fraud is a serious crime that this office is committed to prosecuting. When a person files fraudulent income tax returns, all taxpayers are victims and bear the costs of those who seek to cheat the system."

"IRS Criminal Investigation will continue to work closely with the United States Attorney's Office to aggressively pursue those individuals who prepare false tax returns," said IRS Criminal Investigation In-Charge Reginael D. McDaniel. "Willfully preparing a false tax return that is ultimately filed with the IRS is the same as stealing and there are serious consequences."

**An indictment is merely an accusation and the defendants are presumed innocent until and unless proven guilty at trial beyond a reasonable doubt.**

This case was investigated by the Internal Revenue Service - Criminal Investigation and is being prosecuted by Assistant United States Attorney Jerusha T. Adams.

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